

1. Acceptance. Seller's acceptance of a purchase order from AJ Nonwovens (AJNW) by order acknowledgment, delivery, or otherwise, or acceptance by AJNW of any quotation or other offer submitted by Seller, is hereby expressly made conditional on Seller's consent to these terms and conditions, and AJNW agrees to purchase the products specified in the accompanying purchase order ("Products") only upon these terms and conditions. These terms and conditions, plus any accompanying purchase order, shall hereinafter be referred to as the "Agreement."
2. Additional or Different Terms. The terms and conditions set forth herein are the only terms and conditions upon which AJNW shall purchase the Products from Seller. Additional or conflicting terms or conditions contained in any quotation, order acknowledgment, delivery ticket, invoice, or other document furnished by Seller to AJNW are hereby objected to by AJNW, and shall not be binding upon AJNW, and shall not constitute part of the Agreement.
3. Delivery. Seller shall deliver the Products to AJNW DDP AJNW's plant [Incoterms 2010] on such date as is agreed to by the parties. **Time is of the essence with respect to delivery of the Products.** In the event delivery is not timely, AJNW shall have the right to cancel the agreement of the parties with respect to the Products and recover so much of the purchase price as has been paid by AJNW and, whether AJNW elects to terminate the agreement or accept late delivery, AJNW shall have the right to seek any damages caused by Seller's delay in delivery.
4. Seller shall be responsible for shipment of the Products to AJNW's designated location, subject to reasonable requests on the part of AJNW. The Product shall be preserved, packaged, and handled in accordance with good commercial practice and AJNW's specifications. AJNW's purchase order number shall be plainly visible on any invoices, packages, bills of lading, or shipping orders provided by Seller. Seller shall be solely responsible for any customs, duties, costs (including crating or storage), taxes, insurance premiums, and other expenses relating to delivery of the Products to AJNW, and Seller shall indemnify, defend, and hold AJNW harmless from and against any such expenses or costs.
5. Cancellation. AJNW, at its election, may cancel this agreement at any time prior to delivery of the Products. In the event of cancellation by AJNW, AJNW shall not be liable to Seller for its anticipated profits on sale of the Products and Seller shall use its best efforts to mitigate any damages incurred as a result of cancellation by AJNW.

6. Payment. AJNW's obligation to pay the purchase price is subject to any claims by AJNW for setoff or recoupment, including but not limited to charge backs or defects, damages, errors, and omissions with respect to the condition or function of the Products.
7. Risk of Loss. Risk of loss, theft, destruction, or damage to the Products shall pass to AJNW as defined in the Incoterms.
8. Inspection/Acceptance. AJNW shall be entitled to inspect, at any time upon prior notice to Seller, Seller's manufacture of the Products, including the facilities and equipment used to manufacture the Products. Seller shall carefully inspect the Products prior to shipment to AJNW. AJNW may reject all or part of any lot of Products delivered to AJNW that do not conform to their applicable specifications, descriptions, warranties, or other promises or representations of Seller, within 90 days after completion of delivery. In the event any Products are rejected by AJNW, Seller shall return to AJNW the purchase price for those Products, plus any reasonable costs incurred by AJNW in shipping the Products back to Seller.
9. Change Orders. AJNW, from time to time prior to the date of delivery, may make changes to the designs or specifications of the Products, the method of shipment or packing, or the location of delivery. In the event AJNW makes changes to the design or specifications of the Products, the purchase price for the Products for which such designs or specifications are changed shall be equitably increased or decreased, as the case may be, as mutually agreed upon by the parties. In the event any change order from AJNW requires an extension of the date for delivery of the Products despite due diligence on the part of Seller in completing delivery on the date originally agreed to by the parties, the date of delivery shall be extended but only for such additional time as Seller needs, using due diligence, to complete delivery.
10. Warranty. Seller warrants to AJNW, its customers, and end users for a period from completion of delivery of the Products to AJNW, to one year following first use of the Product as incorporated into the final product intended, that: (a) the Product shall be free from defects in design, material, workmanship, and manufacture; (b) the Products will conform to any specifications, drawings, samples, or other descriptions by Seller or provided by AJNW to Seller, and any representation or promises of Seller; (c) the Products will be suitable for the purposes for which they are intended; and (d) the Products are new, unused, and not subject to any prior damage. Seller also warrants to AJNW, its customers, and end users, that Seller delivered to AJNW good, unencumbered title to the Products. The foregoing warranties are in addition to all of the warranties, whether express or implied, and will survive delivery, inspection, acceptance, or payment by AJNW.

11. In the event any warranty made by Seller with respect to the Products is breached, AJNW, at its sole option, may: (a) require Seller to correct any such breach by conforming the Products to their warranty at no charge to AJNW; (b) return the Products to Seller at Seller's expense and recover from Seller the purchase price for the Products; (c) conform the Products to their warranties itself and charge back to Seller any costs, including labor, in conforming the Products to their warranty, or (d) use the Product in its non-conforming condition and receive from Seller a return of a portion of the purchase price consistent with the value of the Products in their non-conforming condition. The foregoing remedies are in addition to all other remedies at law or in equity, for damages or otherwise, and shall not be deemed to be exclusive.
12. Assignment. Seller shall not assign, transfer, pledge, or otherwise dispose of this Agreement or any right or obligation herein without the prior written consent of AJNW in each instance. Any attempted assignment without AJNW's prior written consent shall be voidable at AJNW's election.
13. Indemnity. Seller shall indemnify, defend, and hold harmless AJNW, its officers, directors, shareholders, agents, and employees, from and against all claims, damages, liabilities, and costs (including attorneys' fees) arising from or relating to: (a) Seller's breach or non-performance of any provision of the Agreement; or (b) injury, death, sickness to persons, or damage to property resulting from any act or omission of Seller, or breach by Seller of any warranty set forth in Section 10 of these Terms and Conditions.
14. Statute of Limitations. Any claim of AJNW against Seller arising out of or relating to this Agreement shall be subject to the applicable statutes of limitation provided for at law, which time periods cannot be shortened or otherwise restricted by Seller.
15. Arbitration. Either AJNW or Seller may elect, by written notice to the other party, to settle any claim or controversy arising out of or relating to this Agreement or the breach or non-performance of any provision hereof, by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in effect at the time such claim or controversy arises. AJNW and Seller agree that any arbitration shall be administered and conducted in Rockingham County, New Hampshire, USA.
16. Governing Law. This Agreement shall be deemed to have been made in Charleston County, South Carolina, and shall be governed by, construed, and enforced in accordance with the internal, substantive laws of the State of South Carolina, without giving effect to conflicts of law principles. The Convention for the International Sale of Goods shall not apply to any case or controversy arising out of or related to this Agreement. Seller hereby submits to the exclusive



jurisdiction of the courts of Charleston County, South Carolina with respect to any claim or controversy arising out of or related to this Agreement.

17. Severability. In the event any provision of this Agreement is held or determined by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.